

## Message Text

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 DODE-00

INR-05 CIAE-00 SP-02 L-01 PRS-01 EB-03 /041 W

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R 201556Z FEB 75

FM AMEMBASSY ASUNCION

TO SECSTATE WASHDC 4426

INFO AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY MONTEVIDEO

AMCONSUL SAO PAULO

AMCONSUL RIO DE JANEIRO

USCINCSO

C O N F I D E N T I A L ASUNCION 0680

LIMDIS

E.O. 11652: EXEMPT

TAGS: PFOR, PINT, ECOH, PA

SUBJECT: PARAGUAY: NEXT SIX MONTHS

REF: ASUNCION 3661

NOTE: THIS IS THIRD IN SERIES OF PERIODIC REPORTS  
ASSESSING CURRENT SCENE AND MAJOR TRENDS OVER NEXT  
SIX MONTHS.

1. SEVERAL EVENTS DURING PAST MONTHS HAVE SHAKEN  
COMPLACENCY OF REGIME, BUT BASIC STABILITY AND  
DURABILITY OF STROESSNER GOVERNMENT REMAIN INTACT  
CHANCE DISCOVERY IN NOVEMBER OF ALLEGEDLY ERP-FINANCED  
TERRORIST PLOT TO KISS STROESSNER HAS LED TO INCREASED  
NERVOUSNESS WITHIN GOP AND TO WAVE OF REPRESSION  
WHICH IS EXPECTED TO CONTINUE; HAS SPARKED RENEWED  
CHURCH CRITICISM OF REGIME AND JEOPARDIZED RECENT  
EFFORTS AT CHURCH-STATE REPROACHMENT; MAY FUEL  
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INCREASED FOREIGN CRITICISM OF PARAGUAY; AND HAS

TEMPORARILY SOURED OFFICIAL ATTITUDES HERE TOWARDS ARGENTINA FOR ITS ALLEGED FAILURE TO PREVENT PLOTTING OR AT LEAST WARN GOP.

2. WHILE REAL POLITICAL ACTIVITY BY OPPOSITION REMAINS ALMOST NIL, TRADITIONAL OPPOSITION PARTY IS SHOWING SIGNS OF LIFE WITH TAKEOVER BY YOUNG LEFTIST (AND ANTI-US) WING UNDER LEADERSHIP NATIONAL DEPUTY LAINO. GOP CAN BE EXPECTED TO DEAL HARSHLY WITH ANY ATTEMPTS BY LAINO TO SEEK POPULAR SUPPORT AT EXPENSE OF RULING COLORADO PARTY.

3. RELATIONS WITH BRAZIL ARE EXCELLENT, WITH FULL COOPERATION ON ITAIPU PROJECT AND (REPORTEDLY) CLOSE COLLABORATION ON INTERNAL SECURITY MATTERS.

4. ECONOMICALLY, ALTHOUGH ALL INDICATORS SHOW PARAGUAY STATISTICALLY HARD-HIT BY EFFECTS OF WORLDWIDE RECESSION AND OIL POLITICS, BASIC STURDINESS OF ECONOMY PERSISTS THANKS TO ITS RELATIVE SIMPLICITY (SUBSISTENCE AGRICULTURE). EXPORTERS IN CERTAIN IMPORTANT COMMODITIES ARE HURTING, HOWEVER, ESPECIALLY BEEF.

5. FOREIGN MINISTER SAPENA PASTOR'S CANDIDACY FOR OAS SECGEN PROBABLY IS RAPIDLY COLLAPSING FOR LACK OF SUFFICIENT SUPPORT AND PARAGUAY'S UNPOPULARITY OVER ISSUES SUCH AS EVENTUAL RESUMPTION BY CUBA OF OAS SEAT. SAPENA IS EXPECTED TO BOW OUT GRACEFULLY, USING HIS WIFE'S SERIOUS ILLNESS AS EXCUSE. PARAGUAY FAVORS EITHER VENEZUELAN OR ARGENTINE CANDIDATE; STRONGLY OPPOSES GOMEZ BERGES AS INEXPERIENCED.

6. US-PARAGUAYAN RELATIONS REMAIN BASICALLY HEALTHY, UNAFFECTED BY SAPENA'S FAILURE TO SECURE OAS JOB. PARAGUAY IS FAVORABLY DISPOSED TOWARD NEW US TRADE ACT, IN MARKED CONTRAST TO MOST OF ARA STATES, PARAGUAY CONTINUES VERY RECEPTIVE TO US NEEDS AT INTERNATIONAL MEETINGS, WITH STRONG PRO-US VOTING RECORD.

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7. SOME PROBLEMS MAY ARISE IN OUR BILATERAL DEALINGS (A) IF STROESSNER'S CRITICS IN US SHOULD SEIZE ON REGIME'S REPRESENTATIVE MEASURES AGAINST TERRORIST THREATS (PARA 1 ABOVE), OR ON CONTINUING ALLEGATIONS OF MISTREATMENT OF PARAGUAY'S INDIAN MINORITY (WHICH GOP DENIES); OR (B) SHOULD POLITICALLY PROMINENT PARAGUAYANS BE CAUGHT IN NARCOTICS TRAFFICKING WHICH COULD

UNDERMINE CURRENT JOINT USG-GOP EFFORT TO COMBAT DRUG  
SMUGGLING. OTHERWISE, WE SEE NO REAL PROBLEMS OVER  
NEXT SIX MONTHS.  
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## Message Attributes

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